

TROPICAL HOMES, INC., PETITIONER, VS. NATIONAL HOUSING AUTHORITY, THE PROVINCIAL SHERIFF, PROVINCE OF RIZAL, AND ARTURO CORDOVA, RESPONDENTS.

G.R. No. L-48672. July 31, 1987

Ponente: GUTIERREZ, JR., J.

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GUTIERREZ, JR., J.:

The question raised in this petition is whether or not Presidential Decree No. 1344, in relation to Presidential Decree No. 957, giving the National Housing Authority exclusive jurisdiction over cases involving the real estate business and limiting the appeal from such decisions only to the President of the Philippines, is constitutional.

The facts which led to the filing of the present petition are as follows:

On April 17, 1972, petitioner Tropical Homes, Inc. entered into a contract with private respondent Arturo P. Cordova for the sale to the latter of a lot at Better Living Subdivision in Parañaque, Metro Manila. The contract price was P32,108.00. A ten (10) percent down payment upon the execution of the contract was required and the balance payable at a monthly amortization of P318.16 beginning May 17, 1972 for 20 years. Section 14 of the contract provided that the contract will be automatically cancelled upon default in payment of any installment within 90 days from its due date.

On July 16, 1973, Cordova was informed through a letter signed by Manuel M. Serrano, executive vice-president and general manager of the petitioner corporation that the contract was cancelled due to non-payment of installments for a period of seven (7) months in violation of the contract, particularly the above-mentioned section. All the earlier payments were considered forfeited in favor of the corporation as liquidated damages.

On February 14, 1975, Cordova filed a letter-complaint with the Investigating Committee of the Department of Trade asking for a refund of the total payments he made amounting to P8,627.86.

This case was referred to respondent National Housing Authority (NHA) which, pursuant to Presidential Decree No. 957, was vested with jurisdiction over the said case.

On February 21, 1978, NHA issued the following resolution:

"This is a complaint for refund of payments made on a lot filed by Arturo Cordova against Tropical Homes, Inc., owner of Better Living Subdivision at Parañaque, Metro Manila.

"Complainant's evidence shows that on April 17, 1972, he bought on installment basis a lot in the above-named subdivision at a contract price of P32,108.00 (Exhibit "A"); that contract was arranged by Atty. Nelson Revilla, an authorized broker of said corporation; that after paying the downpayment and its monthly amortization, he was asked by Atty. Revilla to pay for the 20% of the lot value in order that he may apply for a loan with the SSS; that in compliance with this requirement, he paid the respondent corporation the amount of P4,406.78; that not being satisfied what is to be granted to him by SSS as loan, he was told by Atty. Revilla that he will arrange for a second loan with Tropical Homes, Inc. and for this he gave Atty. Revilla the amount of P650.00

for Mayor's permit; that since then, he has not heard from Atty. Revilla; that he was told by the respondent corporation that Atty. Revilla was no longer connected with it and that he could not use his lot to secure a second loan from it; that he had paid a total amount of P8,627.86; that on May 1973, a separate contract covering a house and lot on the same subdivision was entered into by complainant with respondent; that through SSS housing loan, the house was constructed by respondent and turned over to complainant; and that complainant demanded for the refund of the payments he made on the first lot.

"Respondent in its answer states that the contract it entered into with the complainant had been duly cancelled in accordance with Section 14 thereof due to non-payment of installments for a period of seven (7) months. Regarding the claim for refund, it believes that the complainant is not entitled to it under the Maceda Law as the contract was entered into on April 17, 1972 before the effectivity of the said law. In connection with the alleged amounts given to a certain Atty. Revilla, the said person is not an employee or authorized representative of the respondent corporation.

"We are inclined to believe the claim of complainant that because the SSS and THI financing plan on the first lot pushed through, he obtained the second lot. Respondent claimed that there is nothing in the second contract to show that it was in lieu or in substitution of the first contract. However, the circumstances under which the P4,046.78 (required 20% downpayment) was paid clearly shows that what complainant wanted was a lot which could be used for SSS housing loan so that he could have a house on the lot. Because he could not obtain such housing loan on the first lot, he applied for and was given the house and lot and for which the second contract was executed by the respondent. Therefore the second contract was deemed entered into by the parties in lieu of or in substitution of the first contract especially when we consider the fact that it was on the second contract that complainant was able to attain his objective of having a house and lot. Complainant is, therefore, entitled to the refund of his payments on the first contract totalling P8,627.86 with interest from 1 October 1976, the date the NHA took cognizance of this case.

"PREMISES CONSIDERED, it is recommended that respondent Tropical Homes, Inc. be ordered to refund to Arturo Cordova the amount of P8,627.86 with 12% interest per annum from 1 October 1976, until fully paid." (Rollo, pp. 36-37).

A subsequent motion for reconsideration was denied by NHA.

In the meantime, on April 2, 1978, P.D. No. 1344 was passed providing, *inter alia*:

x x x x x x x x

"Section 1. In the exercise of its functions to regulate the real estate trade and business and in addition to its powers provided for in Presidential Decree No. 957, the National Housing Authority shall have exclusive jurisdiction to hear and decide cases of the following nature:

- a) Unsound real estate business practices;
- b) Claims involving refund and any other claims filed by subdivision lot or condominium unit buyer against the project owner, developer, dealer, broker or salesman; and
- c) Cases involving specific performance of contractual and statutory obligations filed by buyers of sub-division lot or condominium unit against the owner, developer, dealer, broker or salesman.

Section 2. The decision of the National Housing Authority shall become final and executory after the lapse of fifteen (15) days from the date of its receipt. It is appealable only to the President of the Philippines and in the event the appeal is filed and the decision is not reversed and/or amended within a period of thirty (30) days, the decision is deemed affirmed. Proof of the appeal of the decision must be furnished the National Housing Authority."

On June 19, 1978, the petitioner, availing of this decree, appealed to the President of the Philippines.

In said appeal, it stated that "x x x we do not thereby waive the right to question the constitutionality of said Decree, which we believe to be violative of the due process clause of the Constitution as well as contrary to the primordial concept of separation of powers." (p. 55, Rollo)

No copy of this appeal was furnished to respondent NHA.

On July 10, 1978, Cordova then filed a motion for execution. Acting on the motion, NHA issued a Writ of Execution dated July 14, 1978.

On August 2, 1978, the petitioner was served with said writ by a deputy of respondent provincial sheriff of Rizal.

The President failed to act on the appeal.

Hence, this present petition for certiorari and prohibition with writ of preliminary injunction.

The only issue raised in this petition is the constitutionality of P.D. No. 1344.

The petitioner contends that P.D. No. 1344 is unconstitutional on grounds that a) it deprives herein petitioner access to courts of law and b) the manner of appeal provided for therein is violative of due process.

This Court does not decide questions of a constitutional nature unless that question is properly raised and presented in appropriate cases and is necessary to a determination of the case i.e. the issue of constitutionality must be the very *lis mota* presented. (*Alger Electric, Inc. v. Court of Appeals*, 135 SCRA 37; *Dumlao v. Commission on Elections*, 95 SCRA 392; *People v. Vera*, 65 Phil. 56).

On this ground alone, the petition should be dismissed.

The petitioner has not clearly shown how a ruling upon the constitutionality of P.D. No. 1344 will in any way affect the correctness of the decision rendered against him. There is no discussion whatsoever on the merits of the original case. As far as the records show, the NHA decision appears to be fair and correct. Moreover, the resolution promulgated by respondent NHA, was issued before the passage of the questioned decree. The writ of execution it issued, as admitted by the petitioner in its memorandum, did not in anyway rely upon P.D. No. 1344. The issue of constitutionality is poorly discussed.

Nonetheless, we decided to give due course and require memoranda from the parties instead of summarily denying the petition on a minute resolution because it is best for public policy that the issue raised should be resolved. (See *Edu v. Ericta*, 35 SCRA 481; *Gonzales v. Commission on Elections*, 27 SCRA 835). Sufficiently numerous persons are affected by NHA powers and functions.

It is alleged that the mode of review on appeal prescribed by the decree violates the constitutional guarantee of due process.

This is predicated on the petitioner's theories that (1) the word "only" as used in Sec. 2 of said decree, "x x appealable only to the President of the Philippines x x" is a bar to recourse to courts of law; and (2) the "affirmance--by-inaction" on the part of the President of the Philippines would render the NHA decision as final and executory.

Both premises are without merit.

The right to appeal is not a natural right nor a part of due process, except where it is granted by statute in which case it should be exercised in the manner and in accordance with the provisions of law. (*Bello v. Francisco*, 4 SCRA 134; *Rodriguez v. Director of Prisons*, 47 SCRA 153). In other words, appeal is a right of statutory and not

constitutional origin.

The fact that P.D. No. 1344 does not specifically provide for judicial review of NHA decisions affirmed or reversed by the President, does not necessarily preclude judicial review.

The extraordinary writs of certiorari, prohibition, mandamus or quo warranto (Rules 65 and 66) are always available in proper cases where there is no appeal or other plain, speedy, or adequate remedy in the ordinary course of law. The power of the Supreme Court to strike down acts which infringe on constitutional protections or to nullify administrative decisions contrary to constitutional mandates cannot be reduced or circumscribed by any statute or decree. No statute is needed to bring arbitrary acts or decisions within our jurisdiction.

On the issue of "affirmance-by-inaction", failure on the part of the President to act upon an appeal does not necessarily mean that the appealed decision automatically becomes final and executory. Access to the courts of law may still be made as mentioned above. Therefore, any such decision is far from being final and executory.

There is no question that a statute may vest exclusive original jurisdiction in an administrative agency over certain disputes and controversies falling within the agency's special expertise. The very definition of an administrative agency includes its being vested with quasi-judicial powers. The ever increasing variety of powers and functions given to administrative agencies recognizes the need for the active intervention of administrative agencies in matters calling for technical knowledge and speed in countless controversies which cannot possibly be handled by regular courts.

Moreover, there is the well-settled principle that all reasonable doubts should be resolved in favor of the constitutionality of a statute, for which reason, it will not be set aside as violative of the constitution except in "clear cases" (People v. Vera, supra).

We, therefore, hold that P.D. No. 1344 in so far as the vesting of exclusive original jurisdiction over cases involving the sales of lots in commercial subdivisions to NHA and the mode of appeal provided therein are concerned, is not unconstitutional.

Parenthetically, Section 9(3) of Batas Pambansa 129 empowers the Court of Appeals to have:

x x x x x x x x

"(3) Exclusive appellate jurisdiction over all final judgments, decisions, resolutions, orders, or awards of Regional Trial Courts and quasi-judicial agencies, instrumentalities, boards or commissions, except those falling within the appellate jurisdiction of the Supreme Court in accordance with the Constitution, the provisions of this Act, and of subparagraph (1) of the third paragraph and subparagraph (4) of the fourth paragraph of Section 17 of the Judiciary Act of 1948."

B.P. Blg. 129 was signed into law on August 14, 1981 and provides a uniform appellate body for all administrative agencies, instrumentalities, boards and commissions subject to the limited exceptions cited above.

WHEREFORE, in view of the foregoing, the petition is DISMISSED.

SO ORDERED.

Teahankee, C.J., Yap, Fernan, Narvasa, Melencio-Herrera, Cruz, Paras, Feliciano, Gancayco, Padilla, Bidin, Sarmiento, and Cortes, JJ., concur.

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